Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009

Message Text

LIMITED OFFICIAL USE

PAGE 01 GUATEM 07778 222239Z
ACTION ARA-14

INFO OCT-01 ISO-00 EB-08 CIAE-00 COME-00 DODE-00
DOTE-00 FMC-01 INR-07 NSAE-00 CG-00 DLOS-09
OES-07 L-03 SS-15 NSC-05 H-01 /071 W
----------129103 222247Z /75
P 222138Z DEC 77
FM AMEMBASSY GUATEMALA
TO SECSTATE WASHDC PRIORITY 8532

LIMITED OFFICIAL USE GUATEMALA 7778

FOR ASSISTANT SECRETARIES TODMAN AND KATS

FROM AMBASSADOR;

PASS FMC

E.O. 11652: N/A
TAGSC EWWT GT
SUBJ: GUATEMALA SHIPPING DISPUTE

REF: (A) STATE 300302; (B) GUATEMALA

1. FOR MANY YEARS NOW UNITED STATES HAS BEEN CRAPPLING WITH PROBLEM OF DISCRIMINATORY SHIPPING LAW IN GUATEMALA. IN THE PAST GUATEMALA GOVERNMENT HAS NOT FOLLOWED THROUGH WITH ITS ASSURANCES THAT ACTION WOULD BE TAKEN TO RESOLVE THIS DISPUTE. UNDER THESE CIRCUMSTANCES THE DECISION OF THE FMC TO PUBLISH ON DECEMBER 14 RULE ESTABLISHING EQUALIZATION FEE BEGINNING JANUARY 13, NOTWITHSTANDING PASSAGE OF LAW BY CONGRESS ON DECEMBER 8 WAS UNDERSTANDABLE.

W. HOWEVER, WE NOW HAVE A NEW SITUATION. REVISED VERSION OF LAW 26-77, DELETING THE THREE DISCRIMINATORY
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 GUATEM 07778 222239Z

ARTICLES IN ITS ORGINAL TEXT, WAS SIGNED BY PRESIDENT LAUGERUD ON DECEMBER 19, AND WILL BECOME EFFECTIVE ON FEBRUARY 19, 1978 (REFTEL B).

3. NOW THAT PRESIDENT HAS SINTED LAW THAT APPEARS TO SATISFY OUR NEED FOR NON-DISCRIMINATORY LEGISLATION, I BELIEVE IT UNNECESSARY AND INAPPROPRIATE FOR U.S. TO

Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009

Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009

INVOKE AN EQULIZATION FEE, EVEN THOUGH DISCRIMINATORY
TREATMENT OF U.S. SHIPPERS APPARENTLY WILL CONTINUE FOR
A FEW WEEKS UNTIL 26-77 TAKES EFFECT. IMPOSITION OF SUCH
A FEE BY U.S. JUST FIVE WEEKS BEFORE LAW GOES INTO EFFECT
WILL BE VIEWED AS UNREASONABLE AND UNJUSTIFIED. IT
WOULD FOCUS PRESS AND PUBLIC ATTENTION ONCE AGAIN ON THIS
PROBLEM. PASSAGE OF LAW BY CONGRESS ON DECEMBER 8 PROMOTED
ACCUSATIONS IN PRESS OF KNUCKLING UNDER TO U.S. PRESSURES.
IMPOSITION OF COUNTERVAILING MEASURES WOULD INEVITABLY RAISE A HUE
AND CRY AND BE INTERPRETED AS RENEWED U.S. PRESSURE.
IT IS NOT INCONCEIVABLE THAT 26-77 ITSELF COULD BE
JEOPARDIZED SHOULD CONGRESS OR GOG DECIDE TO RE-EXAMINE
THE QUESTION OR RETALIATE IN SOME FASHION.

4. THE EMBASSY HAS BEEN TOLD(REFTEL B) THAT THE
REGULATION FOR 26-77 WILL BE ISSUED WITHIN OR SOON AFTER
THE 60 DAY PERIOD AND THERE IS NO REASON AT THIS TIME TO
ASSUME THAT AN APPARENTLY NON-DISCRIMINATORY LAW WILL BE
FOLLOWED BY DISCRIMINATORY REGULATIONS.

5. WITH THIS LONG STANDING PROBLEM NOW APPRENTLY SOLVED,
I STRONGLY RECOMMEND THAT FMC BE ASKED TO EXTEND ITS
JANUARY 13 DEADLINE TO LATE FEBRUARY TO GIVE GUATEMALA
A CHANCE TO PUT NEW LAW QUIETLY INTO EFFECT TOGETHER
WITH IMPLEMENTING REGULATIONS. ON THE SMALL CHANCE
THAT SOMETHING STILL DOES GO AMISS, THEN I WOULD AGREE
LIMITED OFFICIAL USE

WE SHOULD GO FORWARD WITH AN EQUALIZATION FEE.
HOWEVER, IT WOULD BE THE HEIGHT OF IRONY IF, AFTER
HAVING FINALLY ATTAINED OUR OBJECTIVE OF A NON-
DISCRIMINATORY LAW, WE WERE TO JEOPARDIZE IT
UAKTHROUGH ADHERENCE TO AN EARLIER POSITION WHICH HAS
OBVIOUSLY BEEN OVERTAKEN BY EVENTS. WE ARE ONLY TALKING
ABOUT A FIVE WEEK PEROD BEFORE THE NEW GUATEMALAN
LAW COMES INTO EFFECT, AND IT IS SIMPLY NOT REASONABLE
TO IMPOSE COUNTERVAILING MEASURES FOR THAT PERIOD, GIVEN
THE POTENTIAL RISK TO OUR INTERESTS.
BOSTER

NNN

Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009

Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: DISPUTES
Control Number: n/a
Copy: SINGLE
Sent Date: 22-Dec-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977GUATEM07778
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770478-0728
Format: TEL
From: GUATEMALA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19771227/aaaaawou.tel
Line Count: 105
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: ee1949fe-c188-dd11-92da-001cc4696bcc
Office: ACTION ARA
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 77 STATE 300302
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 24-Mar-2005 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 148543
Secure: OPEN
Status: NATIVE
Subject: GUATEMALA SHIPPING DISPUTE
TAGS: EWWT, GT
To: STATE
Type: TE
vdkvgwkey: odbc://SAS/SAS.dbo.SAS_Docs/ee1949fe-c188-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009